



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
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Fifth District

May 6, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS NO. 3 TO MEDICAL TRANSCRIPTION SERVICES
AGREEMENTS NO. 71386 WITH MEDQUIST TRANSCRIPTIONS, LTD.
AND NO. 71757 WITH MEDIMAX CORPORATION
(1st and 2nd Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman, or his designee, to sign Amendment No. 3 to Agreement No. 71386 with MedQuist Transcriptions, LTD. (Exhibit I) for the continued provision of medical transcription services at Martin Luther King, Jr./Drew Medical Center (King/Drew MC) on a month-to-month basis effective June 1, 2004 through December 31, 2004, with an estimated cost of \$119,784 (\$17,112 FY 2003-04 and \$102,672 FY 2004-05) at 100% net County Cost.
2. Approve and instruct the Chairman, or his designee, to sign Amendment No. 3 to Agreement No. 71757 with Medimax Corporation (Exhibit II), for the continued provision of medical transcription services at Children's Medical Services (CMS), on a month-to-month basis effective June 1, 2004 through December 31, 2004, at an increased rate, with an estimated cost of \$44,000 (\$6,286 FY 2003-04 and \$37,714 FY 2004-05) at 50% net County cost and 50% State revenue.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving these actions, the Board is authorizing the Chairman, or his designee, to sign Amendment No. 3 with MedQuist Transcriptions, LTD. and Amendment No. 3 with Medimax Corporation to allow for the continued delivery of medical transcription services at County medical facilities on a month-to-month basis effective June 1, 2004 through December 31, 2004. The requested extension will allow for the completion of the Request for Proposals (RFP) process. The current agreements are slated to expire on May 31, 2004.

FISCAL IMPACT/FINANCING:

For the period June 1, 2004 through December 31, 2004, the total estimated cost for these amendments is \$163,784. For Agreement No. 71386, the estimated cost for King/Drew MC is \$119,784, 100% net County cost. For Agreement No. 71757, the estimated cost for CMS is \$44,000, 50% net County cost and 50% State revenue. Funding is available in the Fiscal Year 2003-04 Board Adopted Budget and has been requested in the Fiscal Year 2004-05 DHS Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 5, 1998, the Board approved Agreement No. 71386 with Medquist Transcriptions, LTD. for the provision of medical transcription services for King/Drew MC, effective June 1, 1998 through May 31, 2002. On subsequent occasions, the Board and the Director of DHS, extended Agreement No. 71386 through May 31, 2004.

On September 15, 1998, the Board approved Agreement No. 71757 with The Transcriptionist for the provision of medical transcription services for CMS, effective September 15, 1998 through September 30, 2002. Subsequently, the Board and the Director of DHS, extended Agreement No. 71757 through November 30, 2003.

On November 25, 2003, the Board approved Amendment No. 2 to Agreement No. 71757 to approve the delegation of duties and assignment of rights of agreement from the Transcriptionist to Medimax Corporation, and to extend the Agreement for six (6) additional months, effective December 1, 2003 through May 31, 2004.

On May 7, 2004, Medimax informed the Department that it could not continue transcription services at the contract rate of \$0.16 per line. Negotiations with Medimax concluded at the rate of \$0.20 per line for the maximum seven-month extension. The equipment that CMS uses (cassette tapes) is more expensive for Medimax to process while the other facility uses electronic transmission. The per line rate for MedQuist remains unchanged for the maximum seven-month extension.

Both agreements are slated to expire May 31, 2004. The Amendments will extend the term of each agreement for a maximum period of seven (7) months, from June 1, 2004 through December 31, 2004.

Approval of the Amendments will give DHS additional time for the completion of the re-solicitation of new contracts through a competitive Request for Proposals (RFP) process.

In addition to providing medical transcription services at King/Drew Medical Center and Children's Medical Services, the RFP will solicit bids for services at LAC+USC Medical Center, Olive View/UCLA Medical Center, and Rancho Los Amigos National Rehabilitation Center. Progress on the RFP was delayed because of the need to modernize and standardize medical transcription performance standards and specifications. The requested extensions of the current agreements will allow time to complete the RFP process. It is anticipated that the RFP will be released in July 2004.

DHS will be returning to the Board within a few weeks to amend three additional contracts for medical transcription services that are scheduled to expire June 30, 2004. These contracted services will also be included in the upcoming RFP.

County Counsel has approved Exhibits I and II as to form.

Attachment A provides additional information.

CONTRACTING PROCESS:

The additional time requested will allow DHS to finalize the RFP and recommend a new contractor to the Board. An RFP to obtain a new medical transcription services agreement will be released in July 2004.

Current County policy and procedures require the timely submission of agreements and amendments for Board approval. However, these amendments were not scheduled for the Board agenda three weeks prior to their expiration due to critical Department of Health Services' (DHS) staffing shortages.

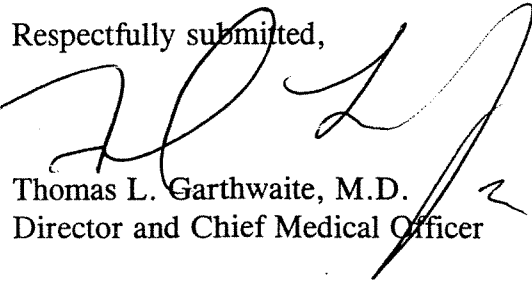
IMPACT ON CURRENT SERVICES (OR PROJECTS):

These are extensions of existing agreements and no County employees will be impacted. Approval of these amendments will ensure the uninterrupted provision of medical transcription services.

The Honorable Board of Supervisors
May 6, 2004
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'TLG', is written over the text of the signature block.

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:dar

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

BDLTRmedtranscript.wpd

SUMMARY OF AGREEMENTS

1. **TYPE OF SERVICE:**

Medical Transcription Services at King/Drew Medical Center (MedQuist) and Children's Medical Services (Medimax Corporation).

2. **AGENCY ADDRESSES AND CONTACT PERSONS:**

MedQuist Transcriptions, LTD. (No. 71386)
Five Greentree Centre, Suite 311
Marlton, New Jersey 08053
Attention: President
Telephone: (213) 484-9660

Medimax Corporation (No. 71757)
3945 Freedom Circle # 1150
Santa Clara, California 95054
Contact: Sangram Das, Business Manager
Telephone: (408) 748-9700

3. **TERM:**

The term of these Agreements will be extended on a month-to-month basis from June 1, 2004 through December 31, 2004.

4. **FINANCIAL INFORMATION:**

For the period June 1, 2004 through December 31, 2004, the total estimated cost is \$163,784. For Agreement No. 71386, the estimated cost is \$119,784, 100% net County cost, at the same rate. For Agreement No. 71757, the estimated cost is \$44,000, 50% net County cost and 50% State revenue, at an increased rate of \$0.20 per line. Funding is available in the Fiscal Year 2003-04 DHS Adopted Budget and has been requested in the Fiscal Year 2004-05 Proposed Budget.

5. **PERSON ACCOUNTABLE FOR PROGRAM MONITORING:**

David Runke, Interim CEO
Martin Luther King, Jr./Drew (King/Drew) Medical Center
12021 S. Wilmington Avenue
Los Angeles, California 90059
Telephone: (310) 668-5201

Cheri Todoroff, Acting Director
Children's Medical Services
9320 Telstar Avenue, Suite 226
El Monte, CA 91731
Telephone: (626) 569-6001

6. **APPROVALS:**

King/Drew Medical Center: David Runke, Interim CEO

California Childrens Services: Cheri Todoroff, Acting Director

Contract Administration: Irene E. Riley, Director

County Counsel: Christina Salseda, Deputy County Counsel

Contract No. 71386-3

MEDICAL TRANSCRIPTION SERVICES AGREEMENT
AMENDMENT NO. 3

THIS AMENDMENT is made and entered into this _____ day
of _____ 2004,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

MEDQUIST TRANSCRIPTIONS, LTD.
hereafter "Contractor")

WHEREAS, reference is made to that certain document
entitled "MEDICAL TRANSCRIPTION SERVICES AGREEMENT", dated May
5, 1998, and further identified as County Agreement No. 71386
and any Amendments thereto (all hereafter referred to as
"Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend
the Agreement to extend its term and make the changes described
hereinafter; and

WHEREAS, said Agreement provides that changes may be made
in the form of a written amendment which is formally approved
and executed by both parties.

NOW THEREFORE, the parties hereby agree as follows:

1. County and Contractor agree to extend the term of the
Agreement for seven (7) months, on a month-to-month basis,
beginning June 1, 2004 through December 31, 2004, under the same

rate and provisions as set forth in the Agreement.

2. That Paragraph 52, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be deleted in its entirety and replaced with the following Paragraph 52 as follows:

"52. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Agreement, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders of CSSD Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

3. Paragraph 53, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE

PROGRAM, shall be deleted in its entirety and replaced with the following Paragraph 53 as follows:

"53. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" herein below shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to "TERMINATION FOR CONTRACTOR'S DEFAULT." and pursue debarment of Contractor pursuant to County Code Chapter 2.202."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Chairman and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

MEDQUIST TRANSCRIPTIONS, LTD.
Contractor

ATTEST:
VIOLET VARONA-LUKENS,
Executive Officer of the
Board of Supervisors
of the County of Los Angeles

By Brian Kearns
Signature

Title BRIAN J. KEARNS
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER
(A MEDQUIST INC Corporate Seal)

By: _____
Deputy

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:
Department of Health Services

By: _____
Irene E. Riley, Director
Contract Administration

Contract No. 71757-3

**MEDICAL TRANSCRIPTION SERVICES AGREEMENT
AMENDMENT NO. 3**

THIS AMENDMENT is made and entered into this _____ day
of _____ 2004,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

MEDIMAX CORPORATION
(hereafter "MediMax")

WHEREAS, reference is made to that certain document
entitled "MEDICAL TRANSCRIPTION SERVICES AGREEMENT", dated
September 15, 1998, and further identified as County Agreement
No. 71757 and any amendments thereto (all hereafter referred to
as "Agreement"); and

WHEREAS, said Agreement provides that changes may be made
in the form of a written amendment which is formally approved
and executed by both parties; and

WHEREAS, it is the intent of the parties hereto to amend
the Agreement to extend its term and make the changes described
hereinafter; and

1. This Amendment extends the term of the Agreement for
seven (7) months, on a month-to-month basis, beginning June 1,
2004 through December 31, 2004.

2. That Paragraph 50, CONTRACTOR'S WARRANTY OF ADHERENCE
TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be deleted
in its entirety and replaced with the following Paragraph 50 as

follows:

"50. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Agreement, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders of Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

3. Paragraph 52, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be deleted in its entirety and replaced with the following Paragraph 52 as follows:

"52. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN
COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE
PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" herein below shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to "TERMINATION FOR DEFAULT" and pursue debarment of Contractor pursuant to County Code Chapter 2.202."

4. That Exhibit "C", Payment, be replaced with Exhibit "C-1", Payment, attached hereto and incorporated herein by reference.

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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by its Chairman and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

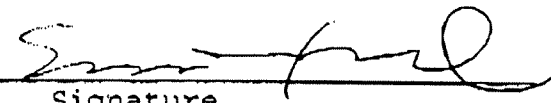
COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST:

MEDIMAX CORPORATION
Contractor

VIOLET VARONA-LUKENS
Executive Officer of
The Board of Supervisors
Of the County of Los Angeles

By  _____
Signature

By _____

Title President

APPROVED AS TO FORM
BY THE OFFICE OF COUNTY COUNSEL

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION
Department of Health Services

By Irene E. Riley, Director
Contract Administration

PAYMENT

Subject to the payment provisions of the body of this Agreement, County shall compensate Contractor hereunder as follows:

A. Contractor shall bill County at \$0.20 per transcribed line inclusive of pick up and delivery, for the period June 1, 2004 through December 31, 2004.

B. Contractor shall submit to County on a monthly basis an itemized bill, indicating the total number of transcribed lines performed during the month immediately preceding the month in which the billing is submitted. Billings shall be mailed to the following address:

California Children's Services (CCS)
Expenditure Management
5555 Ferguson Drive
Commerce, California 90022
Attention: Expenditure Manager

C. A transcribed line shall constitute any and all typed characters within a seven (7) inch margin, exclusive of pre-programmed lines; e.g., headers, footers, macros, space bar, carriage return, not requiring character entries. A character is defined as any keystroke entered on a line. All transcription shall be typed with a ten (10) pitch element.